

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Action/Discussion Item:

2010-2011 Preschool funding process and funding rates

Applicable Statute or Regulation:

KRS 157.226, KRS 157.3175, 702 KAR 3:250

Action Question:

Should the Kentucky Board of Education (KBE) approve the Kentucky Preschool Program 2010-2011 per-child funding rates, pending approval of the budget by the General Assembly?

History/Background:

Existing Policy. The Kentucky Preschool Program is a statewide program serving 3- and 4-year-old children with disabilities and 4-year-olds whose family income falls within 150% of poverty guidelines. The preschool program provides a minimum of a half-day developmentally appropriate program with services that include meals and parent training and may include transportation. The preschool program also meets the comprehensive needs of children through collaboration with medical, health, mental health and social service agencies.

Per-Child Rates. The per-child rate varies according to the child's status. There is a standard rate for four-year-old at-risk children without disabilities, and weighted amounts for 3- and 4-year-old children with disabilities according to three categories: developmental delay, speech/language and severe.

Each spring, the KBE establishes the per-child rates for the Kentucky Preschool Program for the upcoming school year based on the budget approved by the legislature.

Funding Procedures. According to the *Preschool Funding Guidelines*, districts receive a tentative award at the beginning of the school year. The tentative award is calculated from the district's preschool enrollment from the previous year, multiplied times the per-child rates for the new school year. After the new school year enrollment count is collected on December 1, the district receives a final award notice. The final award has an upward adjustment if enrollment has grown by more than 5% over the past year. Districts with enrollment decreases of more than 5% are advised of an offset that will be deducted from the next year's disbursement (not taken from current year allocation).

If the budget pending approval by the General Assembly allows, the process could change based on recommendations made by a stakeholder group and approved by the Kentucky Board of

Education in 2008. Under the new procedure, districts would collect a December 1 and March 1 count and KDE would calculate an average to determine final district preschool awards. Positive and negative adjustments would be eliminated. If the legislature does not include this in the budget bill, the current preschool funding procedure will remain the same.

Table I. Preschool rates for at-risk and disabilities 2004-2011

Categories	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011 Proposed
At-Risk	\$2,291	\$2,150	\$3,168	\$3,304	\$3,094	\$3,293	\$2,874
Speech/Language	\$2,405	\$2,258	\$3,327	\$3,249	\$3,249	\$3,457	\$3,018
Developmental Delays	\$3,207	\$3,011	\$4,436	\$4,332	\$4,332	\$4,610	\$4,024
Severe/Multiple Disabilities	\$4,353	\$4,086	\$6,020	\$5,879	\$5,879	\$6,256	\$5,461

State Enrollment Trends. Figure 1 shows the total enrollment trend in the state preschool program. A struggling state economy contributed to a spike in the 2009 enrollment, resulting in more at-risk children enrolling in the preschool program. Figure 2 shows the at-risk four-year-old enrollment plot (square, bottom line) increasing over time and the enrollment plot for children with disabilities (diamond, top line) decreasing since 2004. The relationship between the two trend lines can be explained by the following points: (1) a change in the definition of at-risk from 130% to 150% of federal poverty level results in the enrollment of more at-risk students; and (2) the implementation of the Kentucky System of Intervention Preschool (KSI) results in fewer enrollments of children with disabilities.

Figure 1: State Funded December 1 count 1999-2009

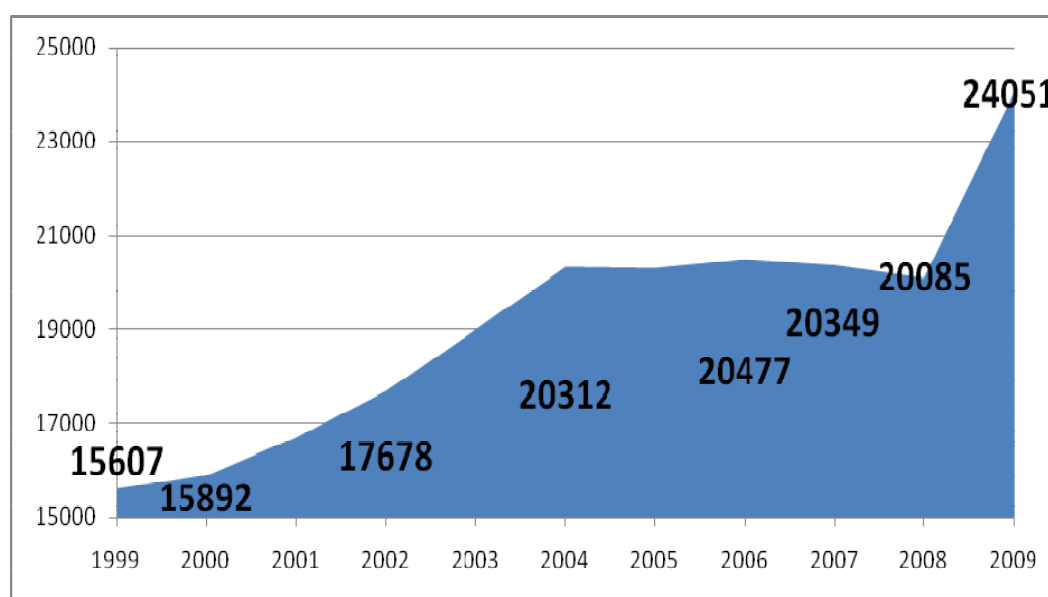
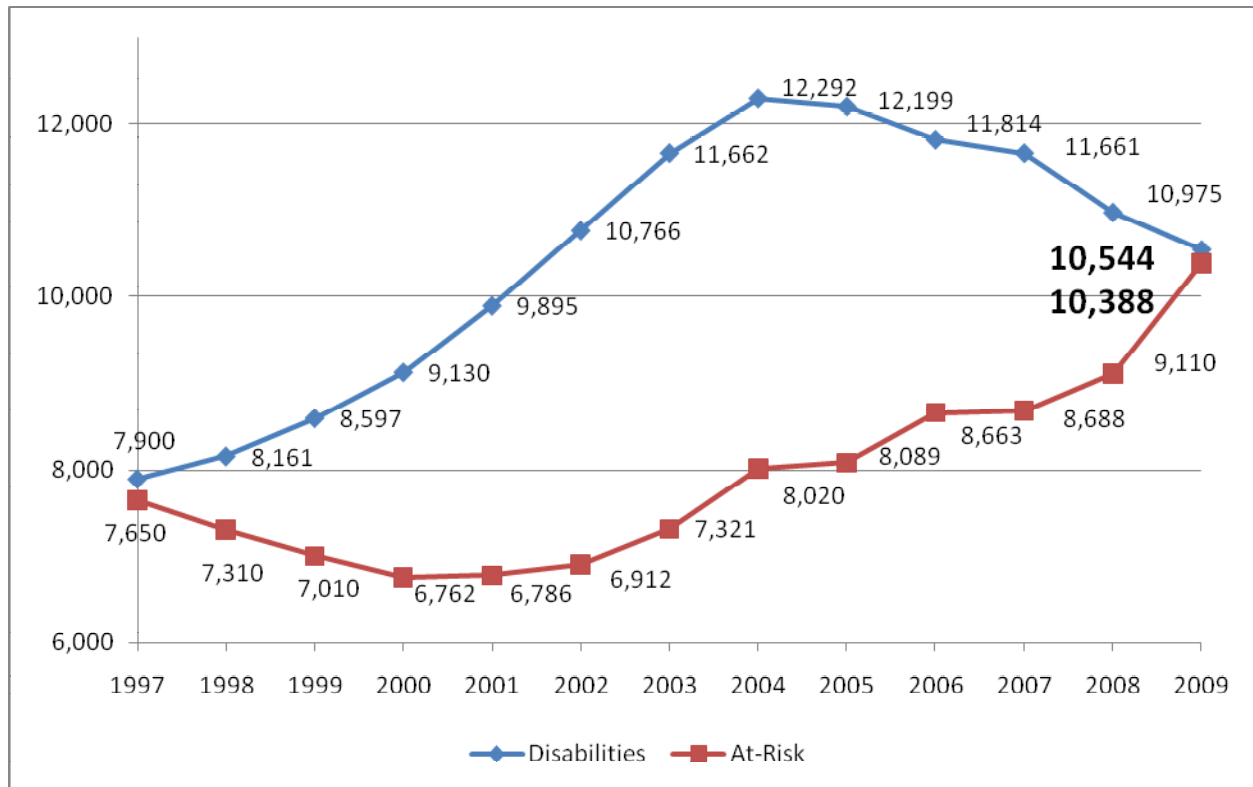


Figure 2: Number of at-risk children and children with disabilities served in Kentucky's state-funded preschool program 1997-2009



District Challenges. Kentucky preschool coordinators report implementation of the Kentucky System of Intervention (KSI) and support for children with disabilities as top funding challenges.

It is anticipated that the preschool budget for 2010-2011 will decrease by 2 - 5%. Impacts may include fewer full-day preschool programs, increased transportation challenges, and diminished quality in early childhood environments.

Table 2. Projected Preschool Program allocation for 2010-2011 school year with calculations for at-risk and children with disabilities and mid-year growth allocation.

Per Child Rates: At-Risk	\$2,874
Speech/Language	\$3,018
Mild/Developmental Delays	\$4,024
Severe/Multiple Disabilities	\$5,461

Staff Recommendation(s) and Rationale(s):

Staff proposes that the board approve the per-child rates for 2010-2011, pending approval by the General Assembly. The rates, although not at the desired level, must be approved by the board per state law in order for the funds to be forwarded to districts, once the state budget is approved.

Impact on Getting to Proficiency:

Every child is capable of learning and achieving at high levels regardless of socioeconomic background or of other issues of diversity. Adequate preschool funding is essential for districts to build and sustain high quality, developmentally appropriate environments that will prepare children for future success in school and life.

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